Package for SSIs

834. SHRI N.R. GOVINDARAJAR: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Small Scale Industries sector has requested Government to reduce the rate of interest and chalk out a revival package for the sector; and

(b) if so, the assistance proposed to be extended to this sector to redress their grievances, State-wise?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHAVIR PRASAD): (a) Many small-scale industries (SSI) and their associations have been requesting from time to time, reduction in the rate of interest and a revival package for sick units.

(b) Reduction of rate of interest and package for revival of sick units are within the powers of the banks. The Central Government, the Reserve Bank of India (RBI) and the Indian Banks' Association (IBA) have accordingly taken the following initiatives in this regard:

(i) The IBA has advised its member banks to lend to the SSI at interest rates within a band of 2 per cent above and below their respective prime lending rates (PLR).

(ii) The Small Industries Development Bank of India (SIDBI) has operationalised the Small and Medium Enterprises (SME) Fund under which loans are provided to the SSI at a rate of interest 2 per cent below the SIDBI's prevailing PLR.

(iii) RBI had issued detailed guidelines to banks in January, 2002 on detection of sickness at an early stage and taking appropriate remedial measures and for rehabilitation of sick SSI units identified as potentially viable.

(iv) Following the announcement of the Policy Package for stepping up credit to small and medium enterprises by the Central Government on 10th August, 2005 the RBI has issued detailed guidelines on 8th September, 2005 relating to debt restructuring mechanism for facilitating restructuring of debt of all eligible SMEs, including SSIs.

(v) The promotion and development of SSI is primarily the responsibility of State/Union Territory (UT) Administrations. The

Central Government, however, supports and supplements the efforts of the State Governments/UT Administrations through implementation of a number of schemes and programmes uniformly throughout the country. Funds under these schemes/ programmes are allocated scheme/programme-wise and not State/UT-wise.

Safeguarding the interest of SSIs

835. SHRI GIREESH KUMAR SANGHI: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether any efforts have been initiated to safeguard the interests of SSIs in the face of acute competition from global players in the domestic market;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHAVIR PRASAD): (a) to (c) To safeguard the interests of small scale industries (SSIs) in the face of competition from global players, the Central Government has put in place appropriate trade-defence mechanisms, such as safeguards against surge of imports and anti-dumping measures, etc. In addition, several measures have been taken to help the SSIs become competitive, both in India and globally, which, *inter alia,* include schemes/programmes for technology upgradation, credit guarantee for laons up to Rs. 25 lakh, development of clusters, creating awareness among SSI by sensitising them to the emerging challenges of trade liberalisation, reimbursement of the cost of obtaining ISO 9000/14001 certification up to Rs. 75,000/-, reimbursement of registration fee upto Rs. 15,000/- for adopting bar coding of products, availability of collateral-free credit up to Rs. 5 lakh, etc.

Small and Medium Enterprises Bill

836. SHRI VIJAY J. DARDA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government propose to bring forward the long awaited 'Small and Medium Enterprises Bill' during the current session of the Parliament; and

(b) if so, by when and if not, the reasons therefor?